

EXHIBIT
SE27**Monthly Operating Report
ACCRUAL BASIS**

CASE NAME:	Highland Capital Management
CASE NUMBER:	19-34054
JUDGE:	Stacey Jernigan

UNITED STATES BANKRUPTCY COURT
NORTHERN & EASTERN DISTRICTS OF TEXAS
REGION 6

MONTHLY OPERATING REPORT

MONTH ENDING: June 2020
MONTH YEAR

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (ACCRUAL BASIS-1 THROUGH ACCRUAL BASIS-7) AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT, AND COMPLETE. DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY) IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:

ORIGINAL SIGNATURE OF RESPONSIBLE PARTY

Chief Restructuring Officer/ CEO
TITLE

James Seery

PRINTED NAME OF RESPONSIBLE PARTY

DATE

PREPARER:

ORIGINAL SIGNATURE OF PREPARER

Chief Financial Officer
TITLE

Frank Waterhouse

PRINTED NAME OF PREPARER

07.31.20

DATE

Monthly Operating Report
ACCRUAL BASIS-1

CASE NAME:	Highland Capital Management, LP
CASE NUMBER:	19-12239-CSS

Comparative Balance Sheet
(in thousands)

	10/15/2019	12/31/2019 ⁽⁶⁾	6/30/2020 ⁽⁶⁾
Assets			
Cash and cash equivalents	2,529	9,501	14,994
Investments, at fair value ⁽³⁾	232,620	232,820	119,991
Equity method investees ⁽³⁾	161,819	183,529	102,914
Management and incentive fee receivable	2,579	1,929	2,976
Fixed assets, net	3,754	3,521	3,055
Due from affiliates ⁽¹⁾	151,901	146,245	150,814
Reserve against notes recievable		(57,963)	(57,963)
Other assets	11,311	11,493	14,962
Total assets	\$ 566,513	\$ 531,076	\$ 351,742
Liabilities and Partners' Capital			
Pre-petition accounts payable ⁽⁴⁾	1,176	1,141	1,053
Post-petition accounts payable ⁽⁴⁾	-	2,042	932
Secured debt:			
Frontier	5,195	5,195	5,195
Jefferies	30,328	30,020	-
Accrued expenses and other liabilities ⁽⁴⁾	59,203	63,336	60,715
Accrued re-organization related fees ⁽⁵⁾	-	5,532	10,745
Claim accrual ⁽²⁾	73,997	73,997	73,997
Partners' capital	396,614	349,812	199,105
Total liabilities and partners' capital	\$ 566,513	\$ 531,076	\$ 351,742

⁽¹⁾ Includes various notes receivable at carrying value, except note due from Hunter Mountain Investment Trust which is fully reserved against (\$58M reserve). Fair value has not been determined with respect to any of the notes.

⁽²⁾ Uncontested portion of Redeemer claim less applicable offsets. Potential for additional liability based on future events. No interest has been accrued beyond petition date.

⁽³⁾ Mark to market gains/(losses) on investments include pricing updates for publicly traded securities and other positions with readily available market price information. Certain limited partnership interests normally marked to a NAV statement have not been updated as of period end as statements are generally available on a one-month lag.

⁽⁴⁾ Note on accruals: expenses recorded in Accounts Payable and Accrued Expenses and Other Liabilities reflect invoices recorded through accounts payable, legal invoice accruals, and normal course operating accruals, but do not reflect estimates for other incurred, but not yet received invoices. For balance sheet dates other than the Petition Date, amounts include both pre-petition and post-petition liabilities.

⁽⁵⁾ Beginning December 31st, 2019, Debtor accrued for post-petition re-organization fees based upon an estimate of fees incurred to date.

⁽⁶⁾ All balances at December 31st, 2019 are preliminary, unaudited, and subject to further year-end closing entries pursuant to the normal year-end closing process. As a result, balances for subsequent months have and will fluctuate.

Monthly Operating Report
ACCRUAL BASIS-2

CASE NAME:	Highland Capital Management, LP	
CASE NUMBER:	19-12239-CSS	

Income Statement ¹
(in thousands)

	Date	Filing to Year Ended ⁽⁴⁾	Month ended ⁽⁴⁾	Filing to date ⁽⁴⁾
	10/16/19 - 10/31/19	2019	6/30/2020	
Revenue:				
Management fees	975	4,528	1,754	15,206
Shared services fees	283	1,588	601	5,279
Other income	99	1,582	145	4,583
Total operating revenue	1,357	7,697	2,500	25,068
Operating expenses:				
Compensation and benefits	997	1,498	2,044	10,534
Professional services	256	64	187	1,332
Investment research and consulting	10	266	148	709
Marketing and advertising expense	-	370	(8)	422
Depreciation expense	82	244	76	709
Bad debt expense reserve	-	8,410	-	8,410
Other operating expenses	201	1,265	345	3,731
Total operating expenses	1,545	12,118	2,792	25,846
Operating income/(loss)	(188)	(4,421)	(292)	(779)
Other income/expense:				
Interest income	250	1,230	482	4,133
Interest expense	(107)	(346)	(47)	(813)
Reserve against notes receivable	-	(57,963)	-	(57,963)
Re-org related expenses ⁽²⁾	-	(5,532)	(2,813)	(21,932)
Independent director fees	-	-	(207)	(1,122)
Other income/expense	32	32	(1)	(102)
Total other income/expense	175	(62,579)	(2,585)	(77,799)
Net realized gains/(losses) on investments	339	618	(3,113)	(27,800)
Net change in unrealized gains/(losses) of investments ⁽³⁾	2,654	(955)	5,236	(30,884)
	2,993	(337)	2,123	(58,684)
Net earnings/(losses) from equity method investees ⁽³⁾	(20)	14,918	(4,558)	(65,864)
Net income/(loss)	\$ 2,959	\$ (52,419)	\$ (5,311)	\$ (203,126)

(1) Note on accruals: expenses recorded in the Income Statement reflect invoices recorded through accounts payable, legal invoice accruals, and normal course operating accruals, but do not reflect estimates for other incurred, but not yet received invoices.

(2) Debtor funded various retainers totaling \$790k prior to the petition date, which were entirely expensed as of the petition date.

(3) Mark to market gains/(losses) on investments include pricing updates for publicly traded securities and other positions with readily available market price information. Certain limited partnership interests normally marked to a NAV statement have not been updated as of period end as statements are generally available on a one-month lag.

(4) All balances are preliminary, unaudited, and subject to further year-end closing entries pursuant to the normal year-end closing process. As a result, operating results will change as these entries are made.

Monthly Operating Report
ACCRUAL BASIS-3A

CASE NAME:	Highland Capital Management
CASE NUMBER:	19-34054

CASH RECEIPTS AND DISBURSEMENTS	FILING TO YEAR END 2019	QUARTER	APRIL	MAY	JUNE	QUARTER
1. CASH - BEGINNING OF MONTH	\$ 2,554,230	\$ 9,501,409	\$ 12,532,467	\$ 10,343,036	\$ 9,916,841	\$ 12,532,467
RECEIPTS FROM OPERATIONS						
2. OTHER OPERATING RECEIPTS	\$ 1,862,757	\$ 1,379,338	\$ 825,387	\$ 1,687,854	\$ 469,980	\$ 2,983,221
3 MANAGEMENT FEES AND OTHER RELATED RECEIPTS	\$ 3,156,742	\$ 7,555,297	\$ 1,708,720	\$ 3,188,304	\$ 1,282,412	\$ 6,179,437
COLLECTION OF ACCOUNTS RECEIVABLE						
4 PREPETITION	\$ 3,593,108	\$ 76,569	\$ 3,727	\$ -	\$ -	\$ 3,727
5 POSTPETITION ¹	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6 TOTAL OPERATING RECEIPTS	\$ 8,612,608	\$ 9,011,204	\$ 2,537,834	\$ 4,876,158	\$ 1,752,392	\$ 9,166,385
NON-OPERATING RECEIPTS						
THIRD PARTY FUND ACTUAL/EXPECTED DISTRIBUTIONS						
7	\$ 423,468	\$ 18,992,786	\$ -	\$ 319,242	\$ 478,329	\$ 797,571
8 DIVS, PAYDOWNS, MISC FROM INVESTMENT ASSETS	\$ 1,338,069	\$ 477,479	\$ 36,007	\$ 36,007	\$ 2,363	\$ 74,376
9 OTHER (ATTACH LIST)	\$ 3,390,286	\$ 1,407,103	\$ 10,000	\$ -	\$ 10,000,000	\$ 10,010,000
10 TOTAL NON-OPERATING RECEIPTS	\$ 5,151,822	\$ 20,877,369	\$ 46,007	\$ 355,249	\$ 10,480,691	\$ 10,881,947
11 TOTAL RECEIPTS	\$ 13,764,430	\$ 29,888,573	\$ 2,583,841	\$ 5,231,407	\$ 12,233,084	\$ 20,048,331
12 TOTAL CASH AVAILABLE			\$ 15,116,308	\$ 15,574,443	\$ 22,149,925	
OPERATING DISBURSEMENTS						
13 PAYROLL, BENEFITS, AND TAXES + EXP REIMB	\$ 3,776,446	\$ 8,825,042	\$ 1,441,850	\$ 1,183,140	\$ 2,261,324	\$ 4,886,314
14 SINGAPORE SERVICE FEES	\$ 95,118	\$ 58,129	\$ 2,965	\$ -	\$ -	\$ 2,965
15 HCM LATIN AMERICA	\$ 200,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -
16 THIRD PARTY FUND CAPITAL CALL OBLIGATION	\$ 1,426,987	\$ 7,812,469	\$ 726,000	\$ 2,000,000	\$ 361,163	\$ 3,087,163
17 UTILITIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18 INSURANCE	\$ -	\$ 533,940	\$ 10,500	\$ 330,000	\$ 35,876	\$ 376,376
19 INVENTORY PURCHASES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20 VEHICLE EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21 TRAVEL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22 ENTERTAINMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23 REPAIRS & MAINTENANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24 SUPPLIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25 ADVERTISING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26 OTHER (ATTACH LIST)	\$ 1,318,700	\$ 3,283,898	\$ 851,659	\$ 1,277,268	\$ 1,066,127	\$ 3,195,054
27 TOTAL OPERATING DISBURSEMENTS	\$ 6,817,251	\$ 20,613,478	\$ 3,032,974	\$ 4,790,407	\$ 3,724,490	\$ 11,547,870
REORGANIZATION EXPENSES						
28 PROFESSIONAL FEES	\$ -	\$ 5,460,546	\$ 1,740,298	\$ 550,170	\$ 3,281,564	\$ 5,572,032
29 U.S. TRUSTEE FEES	\$ -	\$ 68,173	\$ -	\$ 167,025	\$ -	\$ 167,025
30 OTHER (ATTACH LIST)	\$ -	\$ 715,317	\$ -	\$ 150,000	\$ 150,000	\$ 300,000
31 TOTAL REORGANIZATION EXPENSES	\$ -	\$ 6,244,037	\$ 1,740,298	\$ 867,195	\$ 3,431,564	\$ 6,039,057
32 TOTAL DISBURSEMENTS	\$ 6,817,251	\$ 26,857,515	\$ 4,773,272	\$ 5,657,602	\$ 7,156,053	\$ 17,586,927
33 NET CASH FLOW	\$ 6,947,179	\$ 3,031,058	\$ (2,189,431)	\$ (426,195)	\$ 5,077,030	\$ 2,461,404
34 CASH - END OF MONTH	\$ 9,501,409	\$ 12,532,467	\$ 10,343,036	\$ 9,916,841	\$ 14,993,872	\$ 14,993,872

1 All postpetition receipts are included in line 3, Management Fees and Other Related Receipts.

**Monthly Operating Report
ACCRUAL BASIS-3B**

CASE NAME:	Highland Capital Management
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NON-OPERATING RECEIPTS - OTHER

Date	Amount	Type
	10,000,000.00	Sale of Various Jefferies Assets

OPERATING DISBURSMENTS - OTHER

Date	Amount	Vendor
6/1/2020	516	PACER Service Center
6/5/2020	12,014	Flexential Colorado Corp.
6/5/2020	8,427	GRUBHUB for Work
6/5/2020	43,932	Metlife
6/5/2020	11,770	ABM
6/5/2020	100	UPS Supply Chain Solutions
6/5/2020	5,074	Centroid
6/5/2020	300	Action Shred of Texas
6/5/2020	2,190	Canteen Vending Services
6/5/2020	703	Arkadin, Inc.
6/1/2020	29,853	Third Party Consultant
6/1/2020	160,018	Crescent TC Investors LP
6/2/2020	300	eCorp Tax E-CHECK
6/2/2020	336	ATT
6/5/2020	58,260	Carey Olsen
6/8/2020	1,692	ORACLE AMERICA, INC
6/8/2020	103,402	Markit North America Inc.
6/8/2020	16,790	S&P Global Market Intelligence
6/8/2020	7,117	MacroMavens, LLC
6/9/2020	3,574	AT&T
6/10/2020	6,392	TW Telecom Holdings, llc
6/12/2020	35,200	Intex Solutions, Inc.
6/12/2020	20,000	Sage Search Partners
6/12/2020	8,120	Concur Technologies, Inc.
6/12/2020	5,913	Thomson West
6/12/2020	3,000	McLagan Partners
6/12/2020	1,756	Ace Parking Management Inc.
6/12/2020	1,192	CDW Direct
6/12/2020	604	Frank Russell Company
6/12/2020	299	Franke Foodservice Solutions
6/12/2020	225	Four Seasons Landscaping, LLC
6/12/2020	183,912	Siepe Services, LLC
6/12/2020	30	Chase Couriers
6/16/2020	405	East West Bank
6/17/2020	941	ATT
6/17/2020	1,972	Zayo group
6/26/2020	417	Four Seasons Landscaping, LLC
6/26/2020	4,854	Liberty Life Assurance Company of Boston - Group Benefits
6/26/2020	146	Secured Access Systems, LLC
6/26/2020	75	MARKIT WSO CORPORATION
6/26/2020	23,750	Sage Search Partners
6/26/2020	1,394	GRUBHUB for Work
6/26/2020	389	UPS Supply Chain Solutions
6/26/2020	18,042	Siepe Software, LLC
6/22/2020	5,786	ATT
6/22/2020	35,467	Ace Parking Lot 3749
6/23/2020	549	Pitney Bowes
6/24/2020	783	Xerox Corp
6/26/2020	19,720	LinkedIn Corporation
6/26/2020	38,930	Carey Olsen
6/26/2020	142,594	Houlihan Lokey Financial Advisors
6/29/2020	20,681	Strategas Securities LLC
6/30/2020	2,498	Iron Mountain
6/30/2020	2,722	Iron Mountain
6/30/2020	11,000	Third Party Consultant
	1,066,127	

REORGANIZATION EXPENSES - OTHER

Date	Amount	Description
6/1/2020	50,000	Nelms and Associates
6/1/2020	50,000	J.P. Seery & Co. LLC
6/1/2020	50,000	Dubel & Associates, LLC
	150,000	

Monthly Operating Report
ACCRUAL BASIS-4

CASE NAME:	Highland Capital Management
CASE NUMBER:	19-34054

MGMT FEE RECEIVABLE AGING ²	March ³	April ³	May ³	June ³
1. 0-30	\$ 1,835,632	\$ 2,583,565	\$1,839,132	\$1,813,292
2. 31-60				\$1,163,000
3. 61-90				
4. 91+				
5. TOTAL MGMT FEE RECEIVABLE	\$ 1,835,632	\$ 2,583,565	\$ 1,839,132	\$2,976,292
6. AMOUNT CONSIDERED UNCOLLECTIBLE				
7. MGMT FEE RECEIVABLE (NET)	\$ 1,835,632	\$ 2,583,565	\$ 1,839,132	\$2,976,292

AGING OF POSTPETITION TAXES AND PAYABLES			MONTH: June 2020		
TAXES PAYABLE	0-30 DAYS	31-60 DAYS	61-90 DAYS	91+ DAYS	TOTAL
1. FEDERAL					\$0
2. STATE					\$0
3. LOCAL					\$0
4. OTHER (ATTACH LIST)					\$0
5. TOTAL TAXES PAYABLE	\$0	\$0	\$0	\$0	\$0
6. ACCOUNTS PAYABLE	\$679,568	\$9,655	\$41,511	\$201,232	\$931,966

STATUS OF POSTPETITION TAXES ¹		MONTH: June 2020		
	BEGINNING TAX LIABILITY	AMOUNT WITHHELD AND/OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY
FEDERAL				
1. WITHHOLDING				\$0
2. FICA-EMPLOYEE				\$0
3. FICA-EMPLOYER				\$0
4. UNEMPLOYMENT				\$0
5. INCOME				\$0
6. OTHER (ATTACH LIST)				\$0
7. TOTAL FEDERAL TAXES	\$0	\$0	\$0	\$0
STATE AND LOCAL				
8. WITHHOLDING				\$0
9. SALES				\$0
10. EXCISE				\$0
11. UNEMPLOYMENT				\$0
12. REAL PROPERTY	\$0	\$0	\$0	\$0
13. PERSONAL PROPERTY				\$0
14. OTHER (ATTACH LIST)				\$0
15. TOTAL STATE & LOCAL	\$0	\$0	\$0	\$0
16. TOTAL TAXES	\$0	\$0	\$0	\$0

1 The Debtor funds all state and federal employment taxes to Paylocity, who files all required federal and state related employment reports and withholdings.
2 Aging based on when management fee is due and payable.
3 All balances are preliminary, unaudited, and subject to further year-end closing entries pursuant to the normal year-end closing process.

Monthly Operating Report
ACCRUAL BASIS-5

CASE NAME:	Highland Capital Management
CASE NUMBER:	19-34054

MONTH: June 2020

BANK RECONCILIATIONS	Account #1	Account #2	Account #3	Account #4	Account #5	Account #6	
A. BANK:	East West Bank	East West Bank	Maxim Group	Jefferies LLC	Nexbank	East West Bank	
B. ACCOUNT NUMBER:	x4686	x4693	x1885	x0932	x5891	x5848	TOTAL
C. PURPOSE (TYPE):	Operating	Insurance	Brokerage	Brokerage	CD	Prepaid Card	
1. BALANCE PER BANK STATEMENT ¹	\$ 14,581,744	\$ 174,140	\$ 30	\$ -	\$ 137,929	\$ 100,028	\$ 14,993,871
2. ADD: TOTAL DEPOSITS NOT CREDITED							\$ -
3. SUBTRACT: OUTSTANDING CHECKS							\$ -
4. OTHER RECONCILING ITEMS							\$ -
5. MONTH END BALANCE PER BOOKS	\$ 14,581,744	\$ 174,140	\$ 30	\$ -	\$ 137,929	\$ 100,028	\$ 14,993,871
6. NUMBER OF LAST CHECK WRITTEN	100508	n/a	n/a	n/a	n/a	n/a	

INVESTMENT ACCOUNTS							
BANK, ACCOUNT NAME & NUMBER	DATE OF PURCHASE	TYPE OF INSTRUMENT	PURCHASE PRICE				CURRENT VALUE
7.							
8.							
9.							
10.							
11. TOTAL INVESTMENTS			\$0				\$0

CASH	
12. CURRENCY ON HAND	\$0
13. TOTAL CASH - END OF MONTH	\$14,993,871

1 Account x6342 is now closed.

Monthly Operating Report
ACCRUAL BASIS-6

CASE NAME:	Highland Capital Management
CASE NUMBER:	19-34054

MONTH: June 2020

PAYMENTS TO INSIDERS AND PROFESSIONALS

INSIDERS				
NAME		TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID POST PETITION
1	Frank Waterhouse	Salary	\$29,167	\$247,917
2	Frank Waterhouse	Expense Reimbursement	\$615	\$4,274
3	Scott Ellington	Salary	\$37,500	\$318,750
4	Scott Ellington	Expense Reimbursement	\$244	\$5,069
5	James Dondero	Salary	\$0	\$129,972
6	James Dondero	Expense Reimbursement ¹	\$0	\$16,918
7	Thomas Surgent	Salary	\$33,333	\$283,333
8	Thomas Surgent	Expense Reimbursement	\$224	\$2,999
9	Trey Parker	Salary	\$0	\$131,250
10	Trey Parker	Expense Reimbursement	\$0	\$6,212
TOTAL PAYMENTS TO INSIDERS			\$101,082	\$1,146,694

¹ The total amount of reimbursements during the reporting month also included \$16,497 for use of the credit card by the Debtor for office related expenses such as subscriptions, vending supplies, marketing and IT equipment/software.

PROFESSIONALS ²						
NAME		DATE OF MONTHLY FEE APPLICATION	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID
1.	Kurtzman Carson Consultants LLC		\$44,399	\$44,399	\$258,404	\$82,851
2.	Sidley Austin LLP		\$1,672,840	\$1,672,840	\$3,211,214	\$1,284,149
3.	Young Conaway Stargatt & Taylor LLP				\$281,156	\$0
4.	FTI Consulting, Inc.		734,998.00	734,998.00	\$1,766,617	\$522,912
5.	Pachulski Stang Ziehl & Jones LLP		\$722,244	722,243.95	\$3,710,671	\$1,852,579
6	Hayward & Associates PLLC		\$26,620	\$26,620	\$138,699	\$24,914
7	Development Specialists, Inc.				\$1,864,005	\$0
8	Foley & Lardner LLP		\$80,464	80,463.92	446,956.52	\$157,832
TOTAL PAYMENTS TO PROFESSIONALS				\$3,281,564	\$11,677,721	\$3,925,237

² Does not include payments to ordinary course professionals.

POSTPETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

NAME OF CREDITOR		SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POSTPETITION
1.	Crescent TC Investors LP (rent portion only)	130,364	130,364	-
2.				
3.				
4.				
5.				
6.	TOTAL	130,364	\$130,364	\$0

[illegible]